

May 19, 2015

Mr. Robert deV. Frierson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551

**Re: Proposed Agency Information Collection Activities – FR Y-6, FR Y-7, and FR Y-10
(Expanded Reporting of Legal Entity Identifiers)**

Dear Sir:

The American Bankers Association¹ (ABA) appreciates the opportunity to provide comments on the recent proposal by the Federal Reserve Board (FRB) to revise the reporting requirements for FR Y-6, FR Y-7, and FR Y-10 forms. This proposal seeks to expand Legal Entity Identifier (LEI) collection to all banking and nonbanking legal entities reportable on certain schedules of the FR Y-10 and the organization chart section of the FR Y-6. However, this proposal only requires the reporting of an LEI if one has already been issued to an entity and does not require LEI registration for the sole purpose of reporting. In essence, this proposal requires not only a top-tier holding company to provide its LEI, but now also requires any subsidiary with an LEI to do so as well.

If properly implemented, the LEI system will be a ubiquitous data standard that can more precisely identify parties to a broad range of financial transactions, permit greater financial stability monitoring, and potentially reduce regulatory reporting burdens by eliminating overlap and duplication.²

ABA members recognize that wide adoption of data standards is generally necessary for them to be effective. In the 1960's, ABA developed the CUSIP system to fulfill an important need in the financial markets for a universal system of issuer and securities identification.³ For the last 45 years, this ABA-developed system has facilitated efficient trading, clearing, and settlement in capital markets around the world by providing a unique common language for identifying financial instruments across institutions and exchanges. The members of ABA are the principal consumers of CUSIP data, which experience has given ABA a strong appreciation for the use of data standards and the value they provide to the financial industry. For these reasons, ABA

¹ The American Bankers Association is the voice of the nation's \$15 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard \$11 trillion in deposits and extend more than \$8 trillion in loans.

² See remarks by OFR Director Richard Berner at the Financial Regulation Summit: Data Transparency Transformation. (March 24, 2015). Available at: <http://financialresearch.gov/public-apparances/2015/03/24/financial-regulation-summit/>

³ CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, has partnered with the Global Markets Entity Identifier utility to provide one-stop assignment and availability of LEI's simultaneously with all inbound CUSIP registrations.

believes that the continued expansion of LEI's use in both markets and reporting is a positive step. For instance, we are encouraged that as December 2014, there were over 330,000 entities from across the world that had registered for an LEI.⁴

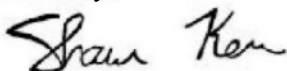
ABA believes that the FRB and other regulators considering expanding their use of LEI should be mindful of costs and implementation challenges associated with the expansion of LEI. The details of each expansion, the timelines for changing systems, and the need to conduct outreach to banks with less reason to be familiar with LEI will be critical moving forward.

The FRB's current proposal is a conservative expansion in mandated LEI reporting that does not present major implementation concerns. However, in this proposal and others, we believe the FRB must provide clarity and flexibility when it works with institutions to collect LEI data. For instance, in this proposal the FRB intends to expand reporting to include not only top-tier holding companies, but also LEI reporting for subsidiaries that already have an LEI. Regarding this collection, the FRB's proposal says that while it "considered retrieving LEI's from the issuers directly, this method has been deemed ineffective since the associated structure data is very limited at this time." To address this issue, the FRB intends to collect directly from reporting banks, and will "provide a means for institutions to provide their one-time submission data in a format easier than individual FR Y-10 submissions."⁵ While this is a streamlined approach that is superior to individual submissions, what form this one-time submission will take unfortunately remains unclear.

Further, ABA encourages the FRB to make the deadline for the one-time submission of LEI data concurrent with FR Y-6 and FR Y-7 submissions, instead of the FRB proposed submission deadline of September 30, 2015. Certain institutions hold many LEI's, and the time needed for these institutions to review and ensure accuracy of their one-time submission will be considerable. Making this one-time data submission due concurrent with FR Y-6 and FR Y-7 submissions would set a timeline that would not extend beyond March 2016, a reasonable amount of additional time for institutions that file these reports.

As LEI adoption progresses, ABA believes that the FRB and other bank regulatory agencies should continue to work closely with the financial services industry to ensure that the LEI becomes the useful tool for which it was intended – to help reduce compliance costs, increase automation, and provide greater market transparency to regulators and market participants alike. Should you have any questions, please do not hesitate to contact the undersigned at skern@aba.com or (202) 663-5253.

Sincerely,



Shaun Kern
Counsel
Center for Securities, Trust & Investments

⁴ See Legal Entity Identifier Regulatory Oversight Committee: <http://www.leiroc.org>

⁵ Proposed Agency Information Collection Activities: Comment Request. 80 Fed. Reg. 15,009, 15,011 (proposed March 20, 2015).